(d) by when the amounts invested in each of these schemes are proposed to be returned to the investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. 7 Assured Return Schemes, *viz.,* MIP 99, MIP 98 (V), CGGF 86, RUP-II, CGGF 99, RUP 99 and BGVMIP are being foreclosed as the returns assured under these schemes are out of alignment with returns in the market and, hence, are not sustainable.

(c) The Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) has intimated SEBI *vide* SUUTI's letter dated 25th April, 2003 about the proposed foreclosure.

(d) Investors will be paid the amount due to them at the time of foreclosure of schemes, which is likely to be during the last quarter of the calendar year 2003.

Gupta Committee recommendations

1694. DR. DASARI NARAYANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Shri R.V. Gupta Committee which examined the problems faced by borrowers in agriculture sector had made several recommendations regarding the flow of agricultural credit through banks;

(b) if so, the salient features of the recommendations of the Committee; and

(c) what action Government have taken on each of these important recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India (RBI) had appointed a One-Man Committee headed by Shri R.V. Gupta, former Deputy Governor, RBI in December 1997 to identify the constraints faced by the commercial banks and suggest measures for increasing the flow of credit to agriculture, introducing new products and services and simplifying the procedures and methods to enable rural borrowers to access adequate and timely credit from the banking system. The Committee submitted its Report to RBI in April, 1998. The

salient features of the recommendations of the Committee are:—

(i) Pre-sanction appraisal of borrower to focus on income-stream, credibility, capacity for taking up the proposed project, integrity, etc.;

(ii) Discretion to banks in obtaining 'No Due Certificate' and dispensing with the production of the same from banks/ institutions as a compulsory requirement;

(iii) Banks to ensure that the value of security taken is commensurate with the size of the loan and desist from asking for additional collateral;

(iv) Discretion to banks in matters relating to margin/security requirements for agricultural loans above Rs. 10,000/-;

(v) Banks to work out a system for disseminating to farmers regarding cultivation of crops, inputs to be used, etc. on a regular basis and furnish borrowers with statement of credit facilities availed;

(vi) To facilitate technology transfer on agricultural operations, rural branches of banks to link up their activities with 'Farmers Clubs';

(vii) Disbursement of all loans for agricultural purposes by banks in cash to facilitate dealer choice to borrowers; and

(viii) Banks to continue the practice of obtaining receipts from borrowers.

(c) RBI has advised on 20th May, 1998 all Scheduled Commercial Banks (SCBs) to implement the major recommendations of the Committee and the banks have since operationalised the same.

Waiver of interest on crop loans

1695. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of FINANCE be pleased to state:

(a) whether the Andhra Pradesh Government has requested to waive 100 per cent interest on all crop loans in view of the unprecedented drought in the State; and

(b) if so, Government's reaction thereto?